

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



December 2, 1996

ALL COUNTY LETTER 96-66

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR TRANSMITTAL

- ☐ State Law Change
- ☒ Federal Law Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

SUBJECT: SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

Social Security recipients will receive a 2.9 percent cost-of-living increase in their Social Security benefits effective December 1, 1996, which is payable January 1997. The new Social Security benefit amount can be determined by multiplying the "old" Social Security benefit amount by 1.029. This increase will affect cash assistance grant and Food Stamp allotment amounts and could affect eligibility for Aid to Families with Dependent Children (AFDC), AFDC/Foster Care, Refugee Cash Assistance (RCA), Entrant Cash Assistance (ECA), and Food Stamp (FS) cases. If the grant or allotment amounts are adjusted due to the Social Security benefit increase, the requirements for a timely and adequate Notice of Action shall apply.

Payment Verification System (PVS) COLA Notification

The California Department of Social Services (CDSS) will not be providing additional notification of the Social Security COLA by way of the Payment Verification System (PVS). However, upon request, a cost-of-living printout or magnetic tape will be provided to the counties. The COLA printouts will be subject to the 45 days timeliness requirements of the Income Eligibility Verification System (IEVS).

AFDC, RCA, ECA and FS Monthly Reporting Cases

For continuing cases, the Social Security increase must be reported on the January 1997 CA 7, due in February 1997, and retrospectively budgeted to determine grant and allotment amounts for March 1997. The increase must also be considered prospectively when determining income eligibility for the month of January.

Food Stamp Nonmonthly Reporting Cases

County Welfare Departments (CWDs) are required to adjust automatically the Food Stamp benefits to reflect the Social Security COLA no later than the second allotment issued after the month in which the change becomes effective for nonmonthly reporting households (Manual Section 63-504.46). Therefore, the increase would have to be reflected no later than the March 1997 Food Stamp allotment.

All New Applicants (AFDC, RCA, ECA, and FS)

For new applicants, the actual amount of the Social Security benefit including the increase shall be used for prospective eligibility and budgeting purposes for the month of January.

According to Manual Section 63-504.462(b)(1)(A), no household shall be held liable for any Food Stamp overissuance resulting from the CWD's misapplication of the 2.9 percentage increase factor. If an underissuance of Food Stamp benefits occurs, the household will be entitled to a restoration of lost benefits in accordance with Manual Section 63-802.

If you wish to receive your county's printouts or magnetic tape for the COLA, please contact either Gary Scriven or Maureen Paizs of the Fraud Program Management Bureau at (916) 445-1851 or (916) 445-3417, respectively, no later than December 12, 1996. If you have any Food Stamp questions, please call Bill Shaw of the Food Stamp Program Bureau at (916) 654-1459. For AFDC questions, please contact Julie Lopes of the AFDC Policy Implementation Bureau at (916) 654-1786.



BRUCE WAGSTAFF
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c: CWDA